

Colorado's Essential Health Benefit Benchmark Plan

Public Meeting – July 31, 2012

Presented by:



**OFFICE OF THE GOVERNOR
STATE OF COLORADO**

Introductions:

Partner Organizations & Presenters

- ▶ Division of Insurance
 - Commissioner Jim Riesberg
 - Jo Donlin, Director of External Affairs
 - Dayle Axman, Supervisor, Consumer Affairs
- ▶ Colorado Health Benefit Exchange
 - Myung Kim, Communications & Outreach Manager
- ▶ Governor's Office
 - Lorez Meinhold, Policy Director
 - Katherine Blair, Health Policy Advisor

Meeting Resources

► Available on the following sites:

<http://www.dora.state.co.us/insurance/consumer/EssentialHealthBenefits.html>

- Navigate to www.askdora.colorado.gov
- Click on Essential Health Benefits in center of page

<http://www.getcoveredco.org/Resources/Essential-Health-Benefits>

- Navigate to www.cohbe.org
- Scroll over Resources tab in upper right corner, and select Essential Health Benefits

Agenda

- ▶ Introductions, Overview, & Progress To-Date
- ▶ Revisions to Objectives for Selecting an EHB
- ▶ Responding to Common Questions
 - What We Don't Know Yet
 - Understanding Insurance Premiums
 - Understanding the Cost Impact of State Mandates
 - Assessing Impacts on Rural Colorado
- ▶ Time for Public Comment

Colorado's Decision Process

- ☒ Compile Information on Benchmark Options
- ☒ Introductory Webinar
- ☒ Public Meetings
 - ☒ Wednesday, July 18, 10am–12pm: National Jewish Health
 - ☒ Tuesday, July 31, 1–3pm: History Colorado Center
- ☐ Public Comment Period
 - Through Sunday, August 5, 2012
- ☐ Proposed Recommendation
- ☐ Further Stakeholder Engagement

What We Already Know

- ▶ ACA requires coverage in 10 EHB categories
- ▶ Colorado has 9 EHB benchmark plan options
 - Cannot create a plan “from scratch”
- ▶ EHB benchmark only includes benefits
 - Does not include cost-sharing
- ▶ EHB Package will apply in 2014 and 2015

July 18 Meeting Recap

- ▶ Feedback on Initial Decision-Making Objectives
- ▶ Pediatric Dental Benefit
 - What will it look like?
 - Options include CHP+ benefit or FEDVIP
- ▶ Habilitative Benefit
 - How should we approach it?
 - Options include pre-determined benefit package or parity with rehabilitative benefit
 - If parity selected, should benefit be additive or cumulative?
- ▶ Annual Dollar Limits on State Mandates
 - Must be converted by 2014

Online Resources

- ▶ Information on EHB Benchmark Options
 - Chart comparing EHB benchmark options
 - Detailed plan information for each option
 - Benefit Summaries
 - Evidence of Coverage
- ▶ Information on Decision Process
 - Public Meeting Materials
 - Webinar Recording
 - Public Meeting Agendas and Handouts
 - Frequently Asked Questions
 - Submitted Comments
- ▶ Available on the following sites:

<http://www.askdora.colorado.gov> Click on Essential Health Benefits

<http://www.getcoveredco.org/Resources/Essential-Health-Benefits>

Questions?

- ▶ Please introduce yourself and your organization
- ▶ Limit questions at this time to:
 - Those regarding the decision-making process
 - Those regarding information covered on the webinar
- ▶ Specific questions may be deferred to comment opportunities later in the meeting

Decision-Making Objectives

► Five Initial Objectives

- Include state-mandated benefits
 - Avoid additional cost to state
 - Maintain consistency with will of legislature
- Provide coverage in required categories
- Be minimally disruptive to market
- Promote carrier and consumer participation
- Balance comprehensiveness and affordability

Decision-Making Objectives

- ▶ Feedback on Objectives: What We Heard
 - Consider impact on rural communities
 - Consider the role of medical necessity in benefit design
 - Consider criteria listed in federal health reform:
 - Reflect typical employer plan
 - Appropriate balance and weight among 10 benefit categories
 - Non-discriminatory on basis of age, disability, and expected length of life
 - Consider health needs of diverse segments of the population, including women, children, disabled, and others

Public Comment

- ▶ Please introduce yourself and your organization
- ▶ Limit comments and questions at this time to:
 - What other items should be considered in the EHB benchmark decision-making process?
 - Should each objective be given equal weight?
- ▶ Specific questions may be deferred to comment opportunities later in the meeting

Specific Issues

- ▶ What We Don't Know Yet
- ▶ Understanding Insurance Premiums
 - How this can help us evaluate comprehensiveness and affordability
- ▶ Understanding the Cost Impact of State Mandates
 - What if we added any new mandates now?
- ▶ Assessing Impacts on Rural Colorado

What We Don't Know Yet

- ▶ How much flexibility carriers will have to alter benefits after EHB is selected
- ▶ Practical implications of having an “appropriate balance and weight” across 10 benefit categories
- ▶ Details of HHS’ approval process for state EHB benchmark selections

What We Don't Know Yet

- ▶ How much flexibility carriers will have to alter benefits after EHB is selected
 - Based on HHS Bulletin & FAQ:
 - Substitutions must be “substantially equal”
 - Actuarially equivalent based on CHIP method (42 CFR 457.431)
 - May change specific services covered and limits
 - Undetermined whether substitution can take place both within and across categories
 - Ties with practical implications of having an “appropriate balance and weight” across 10 benefit categories

What We Don't Know Yet

Substitution Within Categories

Plan 1	Plan 2
Category 1	Category 1
Category 2	Category 2
Category 3	Category 3
Category 4	Category 4
Category 5	Category 5
Category 6	Category 6
Category 7	Category 7
Category 8	Category 8
Category 9	Category 9
Category 10	Category 10

Each category of benefits must be actuarially equivalent, as must the total benefit package

Substitution Across Categories

Plan 1	Plan 2
Category 1	Category 1
Category 2	Category 2
Category 3	Category 3
Category 4	Category 4
Category 5	Category 5
Category 6	Category 6
Category 7	Category 7
Category 8	Category 8
Category 9	Category 9
Category 10	Category 10

The total package of benefits must be actuarially equivalent, but value may vary among categories

What We Don't Know Yet

- ▶ Details of HHS' approval process for state EHB benchmark selections
 - Guidance suggests EHB benchmark selection due to HHS in 3rd Quarter (by 9/30/12)
 - Difficult deadline without additional guidance
 - ACA gives authority to determine EHB to HHS
 - Could make changes to state-selected benchmark
 - Will verify coverage across 10 ACA categories

Understanding Insurance Premiums

- ▶ Key Components of a Base Rate
 - Benefit design
 - Business operations, including provider networks
 - Past claims experience and cost-shifting
 - Projected utilization rates and medical costs
 - Competitive or aggressive pricing
- ▶ How this can help us evaluate comprehensiveness and affordability
 - Benefit design is just one part of premium cost
 - Experience from other states
 - Maximum of 1–3% difference between plan benefits
- ▶ Additional info at: www.askdora.colorado.gov
 - Click on “Essential Health Benefits,” then click on “Factors Affecting Health Insurance Premiums”

Understanding the Cost Impact of State Mandates

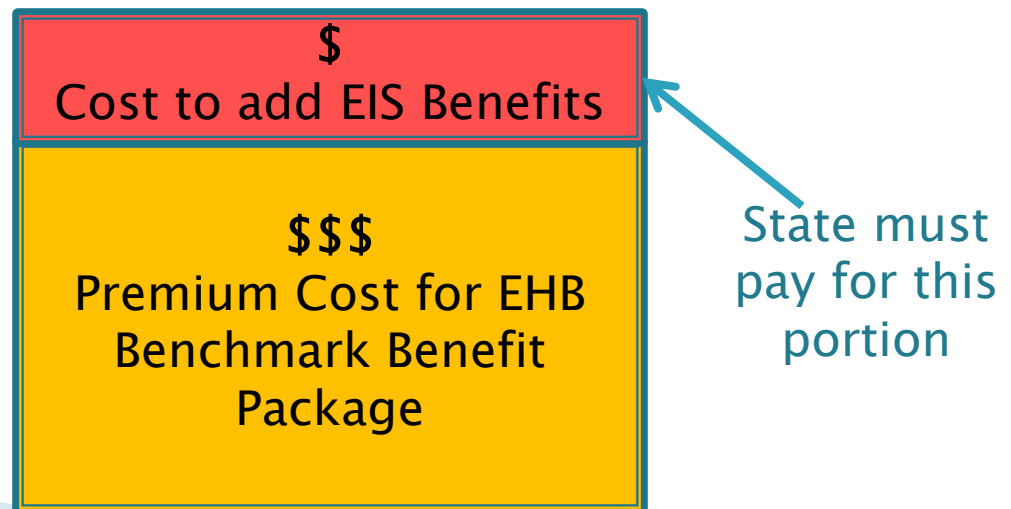
- ▶ ACA requires states to defray costs of state-mandated benefits added to EHB
- ▶ Any new mandates would not be part of EHB in 2014–2015
 - Benefits for benchmark plan options are fixed as of 1st Quarter 2012
 - HHS has not determined process for 2016 and beyond

Understanding the Cost Impact of State Mandates

- ▶ If EHB benchmark is subject to state mandates (Options A–F):
 - State mandates “grandfathered” into EHB package
- ▶ If EHB benchmark is **not** subject to state mandates (Options G–I):
 - State must pay to cover additional premium cost resulting from mandates not included in plan

Example:

Early Intervention Services are either not covered or not mentioned in all three FEHBP options (Options G–I).



Assessing Impacts on Rural Colorado

- ▶ Benefit design has no inherent impacts that differ between rural, suburban, or urban communities
 - EHB package will be offered by all carriers in Colorado
- ▶ State and federal law ensure adequate provider networks for rural communities
 - Access to telemedicine required by state law

Public Comment

- ▶ Please introduce yourself and your organization
- ▶ Questions or comments at this time can be on any topic related to EHBs
- ▶ Time may be limited
- ▶ Answers to new questions will be released in online FAQs
- ▶ Please address objectives and any EHB benchmark option preferences
- ▶ Please submit all comments in writing to
 - ehb@dora.state.co.us
 - Deadline: August 5, 2012

Online Resources

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Thank You